



## News Release

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**IRS IMPLEMENTS NEW LIMITED ISSUE FOCUSED EXAMINATION (LIFE) PROCESS**

WASHINGTON – The Internal Revenue Service Large and Mid-Size Business (LMSB) Division is implementing a new streamlined examination process called the Limited Issue Focused Examination, or LIFE.

This initiative will involve a formal agreement, a Memorandum of Understanding (MOU), between the IRS and taxpayer to govern key aspects of the examination. The MOU will contain dollar-limit thresholds, established on a case-by-case basis, below which the IRS will agree not to raise issues and the taxpayer will agree not to file claims. This will create, with the taxpayer's assistance, an atmosphere where the examination process is less difficult, less time-consuming, less expensive and less contentious for all involved.

Working together, both the IRS and the taxpayer will focus their resources and time on the issues most significant to the return under examination.

"LIFE is a two-way street," said LMSB Commissioner Larry Langdon. "Making it work will require taxpayers and the IRS to work cooperatively. Many of the resource benefits of this approach to taxpayers and the IRS will flow from taxpayers meeting the commitments they make at the commencement of a focused examination."

The LIFE process will be available for taxpayers served by LMSB. The division serves taxpayers with assets in excess of \$10 million.

This new approach represents a major culture shift for LMSB. LIFE is an effort by LMSB to institutionalize "best practices" and provide consistency in the treatment of taxpayers. Training of IRS personnel is currently underway.

For more information on the LIFE examination process, go to the IRS web site at [www.irs.gov](http://www.irs.gov) and click on "Businesses," then "Information for Large to Mid-Size Businesses" located in the middle of the page.

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